PURCHASE ORDER TERMS AND CONDITIONS (As appear on the back of Elbit Systems Group, Israeli Entities Purchase Orders)

1) DEFINITIONS

a) '**THE BUYER**' - THE COMPANY SPECIFIED ON THE PURCHASE ORDER.

b) '**THE SELLER**' - THE PERSON, FIRM OR COMPANY TO WHOM THE ORDER IS ADDRESSED.

c) '**THE ORDER**' - THE PURCHASE ORDER TO WHICH THESE TERMS AND CONDITIONS ARE ATTACHED, INCLUDING ANY OTHER ATTACHMENTS.

d) '**THE SUPPLIES**' - THE MATERIALS AND/OR SERVICES AND/OR PRODUCTS PURCHASED HEREUNDER, AS DESCRIBED ON THE FACE OF THIS ORDER**.**

2) GENERAL

a) THIS ORDER IS PLACED, SUBJECT ONLY TO THE TERMS AND CONDITIONS INCLUDED HEREIN AND ANY STATEMENT OF WORK, PLANS, SPECIFICATIONS, AND OTHER DOCUMENTS, TO THE EXTENT THE SAME ARE INCORPORATED BY REFERENCE ON THE FACE OF THIS ORDER. THE REFERENCE TO ANY PROPOSAL FROM SELLER (IF ANY), IS ONLY FOR THE PURPOSE OF SPECIFYING BASIC INFORMATION CONCERNING PRICE, THE DESCRIPTION OF THE SUPPLIES, QUANTITIES, TERMS OF PAYMENT AND DELIVERY AND THEN, ONLY AS SUCH TERMS ARE CONSISTENT WITH THE TERMS AND CONDITIONS HEREIN. IN THE EVENT OF CONTRADICTION BETWEEN THESE GENERAL TERMS AND CONDITIONS AND SPECIFIC PROVISIONS ON THE FACE OF THE ORDER, OR SPECIFIC CONTRACT / AGREEMENT BETWEEN THE PARTIES, THE SPECIFIC PROVISIONS SHALL PREVAIL.

b) ANY OF SELLER'S TERMS AND CONDITIONS WHICH ARE IN ADDITION TO OR ARE CONSTRUED AS PROPOSALS FOR ADDITION TO THIS ORDER WILL NOT BE BINDING UNLESS AGREED TO IN WRITING BY THE BUYER AND APPEAR ON THE ORDER OR IN ITS REFERENCED ATTACHMENT. SELLER'S COMMENCEMENT OF PERFORMANCE UNDER THIS ORDER, OR SELLER'S SIGNED ACKNOWLEDGEMENT OR ACCEPTANCE OF ANY PAYMENT FOR THE SUPPLIES OR ANY PART THEREOF, CONSTITUTE SELLER'S ACCEPTANCE OF THESE ORDER TERMS AND CONDITIONS.

3) SPECIFICATION OF SUPPLIES

SUPPLIES ARE TO BE SUPPLIED COMPLETE IN ALL RESPECTS IN ACCORDANCE WITH THE ORDER AND IN COMPLIANCE WITH ANY APPLICABLE STANDARDS. THE BUYER MAY REFUSE TO ACCEPT ANY SUPPLIES DELIVERED WHICH ARE NOT IN ACCORDANCE WITH ORIGINAL SPECIFICATIONS OR MODIFIED SPECIFICATIONS AGREED BETWEEN THE BUYER AND THE SELLER IN WRITING AND/OR NOT IN COMPLIANCE WITH THE APPLICABLE STANDARDS AND/OR MANUFACTURED FROM MATERIALS NOT IN COMPLIANCE WITH THE APPLICABLE STANDARDS. IN SUCH CASE THE BUYER SHALL HAVE THE RIGHT TO RETURN THE GOODS AND/OR WITHHOLD PAYMENT FOR SAME. NOTWITHSTANDING THE ABOVE, BUYER MAY REQUEST SELLER TO PROMPTLY REPLACE, IF NECESSARY, BY MOST EXPEDITIOUS MANNER, SUCH SUPPLIES, TO SUPPLIES CONFORMING TO THE PROPER AND AGREED SPECIFICATIONS AND/OR STANDARDS IN ACCORDANCE WITH THIS ORDER. ALL CHARGES, INCLUDING TRANSPORTATION EXPENSES FOR SUCH REPLACEMENT, ARE TO BE BORNE BY THE SELLER.

IN SUCH EVENT, THE SELLER MAY REQUEST THE BUYER TO RETURN THE SUPPLIES INCORRECTLY SUPPLIED, BUT IN ALL CASES THE SELLER SHALL BEAR ALL EXPENSES INVOLVED INCLUDING ANY REPACKAGING AND/OR TRANSPORTATION CHARGES. SHOULD THE SELLER ELECT NOT TO HAVE SUCH SUPPLIES RETURNED, THE BUYER MAY DISPOSE OF THEM IN ANY MANNER DEEMED SUITABLE BY THE BUYER. SHOULD THE SELLER FAIL TO PROMPTLY REPLACE THE SUPPLIES INCORRECTLY SUPPLIED, WITH SUPPLIES OF THE PROPER AND AGREED SPECIFICATIONS, OR TO MAKE ALTERNATIVE ARRANGEMENTS MUTUALLY AGREED UPON IN WRITING BETWEEN THE BUYER AND THE SELLER WITHIN A REASONABLE TIME, THE BUYER, AT ITS OPTION, MAY REQUIRE THE SELLER TO INDEMNIFY THE BUYER FOR ALL LOSSES OR DAMAGES RESULTING THEREFROM, INCLUDING WITHOUT LIMITATION, COSTS INCURRED BY BUYER FOR THE REPLACEMENT OR CORRECTION OF SUCH SUPPLIES. THE FOREGOING IS IN ADDITION TO ANY OTHER RIGHTS BUYER MAY HAVE IN CONTRACT OR AT LAW. SELLER SHALL NOT AGAIN TENDER REJECTED OR CORRECTED SUPPLIES UNLESS SELLER DISCLOSES THE FORMER TENDER AND REJECTION OR REQUIREMENT OF CORRECTION.

4) FACILITIES AND SPECIAL EQUIPMENT

THE SELLER CONFIRMS THAT IT NOW HAS, OR CAN READILY OBTAINS, WITHOUT ASSISTANCE OF THE BUYER, ALL FACILITIES TOOLS AND SPECIAL EQUIPMENT NECESSARY FOR THE TIMELY PERFORMANCE OF THIS ORDER. SPECIAL DIES, TOOLS, PATTERNS AND THE LIKE USED IN MANUFACTURE OF THE SUPPLIES HEREIN ORDERED SHALL BE FURNISHED BY AND AT THE EXPENSE OF THE SELLER.

5) BUYER FURNISHED PROPERTY AND/OR MATERIALS

ANY MATERIALS AND/OR PROPERTY FURNISHED BY THE BUYER, ON OTHER THAN A CHARGE BASIS, IN CONNECTION WITH THIS ORDER, WILL BE DEEMED LOANED TO THE SELLER FOR PURPOSES OF THE ORDER ONLY AND TITLE THERETO SHALL AT ALL TIMES REMAIN WITH THE BUYER. SELLER AGREES TO FULLY COMPENSATE BUYER FOR SUCH MATERIALS AND/OR PROPERTY WHICH ARE NOT RETURNED TO BUYER EITHER AS ORIGINALLY LOANED (EXCEPT FOR REASONABLE WEAR AND TEAR DUE TO THE UTILIZATION OF THE SAME IN ACCORDANCE WITH THE PROVISIONS OF THIS ORDER AND FOR THE PURPOSE OF THIS ORDER ONLY) OR AS AN INTEGRATED PART OF SUPPLIES ORDERED. SELLER AGREES TO PROCURE A POLICY OR POLICIES OF INSURANCE SATISFACTORY TO THE BUYER, INSURING ALL BUYER'S OWNED AND SUPPLIED PROPERTY AND/OR MATERIALS WHILE ON SELLER'S PREMISES, AGAINST LOSS OR DAMAGE. HOWEVER, THE PROCUREMENT OF SUCH POLICIES SHALL NOT BE DEEMED AS RELEASING THE SELLER FROM ITS RESPONSIBILITIES WITH RESPECT TO THE PROPERTY OF THE BUYER.

6) PACKING MARKING AND SHIPPING

UNLESS THE SELLER ADVISES THE BUYER IN WRITING TO THE CONTRARY, THE PRICES QUOTED BY THE SELLER SHALL INCLUDE THE PACKING OF THE SUPPLIES IN CONTAINERS SUITABLE FOR EXPORT VIA AIR OR SEA FREIGHT (AS APPLICABLE), AS WELL AS LABELLING AND MARKING IN ACCORDANCE WITH BUYER'S REQUIREMENTS AND DELIVERY IN ACCORDANCE WITH THE ORDER. SELLER FURTHER AGREES TO BEAR TRANSPORTATION CHARGES AS PER THE APPLICABLE INCOTERMS. SHOULD THE ORDER OR ANY PART THEREOF BE SENT BY SURFACE, THE FOREGOING PROVISIONS SHALL APPLY, EXCEPT THAT THE PACKING WILL BE SUITABLE FOR SURFACE TRANSPORTATION. SUPPLIES SHOULD BE SHIPPED IN ONE LOT UNLESS SPECIFIC AUTHORISATION FOR PARTIAL SHIPMENTS HAS BEEN ISSUED BY THE BUYER. SUPPLIES SHOULD BE DISPATCHED TO THE AUTHORISED SHIPPER AS PER BUYER INSTRUCTIONS APPEARING ON THE FACE OF THE ORDER. IN THE EVENT THE PACKING MATERIAL IS SUPPLIED BY THE BUYER, THE SELLER SHALL VERIFY COMPLIANCE OF THE MATERIAL, PRIOR TO SHIPMENT.

7) INVOICES AND SHIPPING DOCUMENTS

PACKING LISTS AND INVOICES SHOULD SHOW BUYER'S ORDER NUMBER AND LINE ITEM NUMBER, MANUFACTURER'S PARTS NUMBERS AND A SHORT DESCRIPTION OF THE SUPPLIES. EACH CONTAINER OR PACKAGE MUST HAVE ITS INDIVIDUAL PACKING LIST SHOWING THE CONTENTS OF THE CONTAINER. ONE COPY OF THE PACKING LIST MUST RE ATTACHED TO THE OUTSIDE OF THE CONTAINER IN A RESEALABLE PLASTIC ENVELOPE, AND AN ADDITIONAL COPY SHOULD BE PLACED INSIDE THE SAME CONTAINERS. TWO COPIES OF INVOICE, (OF WHICH ONE SHOULD BE SIGHNED ORIGINAL) AND TWO COPIES OF THE PACKING LIST MUST BE ATTACHED TO AIRWAY BILL OR BILL OF LADING TO ACCOMPANY SHIPMENT. ONE SIGHNED ORIGINAL COPY AND ONE COPY OF THE INVOICE AND ONE COPY OF THE PACKING LIST SHOULD BE SENT VIA AIRMAIL AND BY E-MAIL DIRECTLY TO ELBIT INVOICES CENTER AND TO THE BUYER'S PURCHASING DEPARTMENT WHERE APPLICABLE. FAILURE TO COMPLY WITH THE ABOVE WILL DELAY IDENTIFYING SHIPMENTS AT CUSTOMS, THUS DELAYING PAYMENT. INSTRUCTIONS REGARDING INVOICES ARE INCLUDED IN AN ATTACHMENT TO THE PUTCHASE ORDER.

SELLER SHALL INCLUDE A CERTIFICATE OF ORIGIN (COO) AS PART OF THE SHIPPING DOCUMENTS. IN THE ABSENCE OF AN COO AND PROVIDED THAT AN ORIGIN STAMP APPEARS ON THE INVOICE OR PACKING LIST, OR SELLER SPECIFIED ORIGIN INFORMATION IN SUPPLIER LETTER OF INSTRUCTION (SLI), THEN SUCH STAMP OR SLI SHALL BE DEEMED AS THE SELLER'S IRREVOCABLE AUTHORIZATION TO THE INTERNATIONAL FREIGHT FORWARDER TO PROVIDE THE COO ON BEHALF OF THE SELLER.

IN THE EVENT THAT THE SELLER IS REQUESTED TO COMPLETE THE ISRAEL CUSTOMS VERIFICATION OF THE C.O.O. IT WILL COOPERATE BY PROVIDING ANY REQUESTED VERIFICATION DATA TO THE ISRAELI CUSTOMS.

8) INSPECTION AND TESTING

a) THE BUYER AND/OR ITS CUSTOMER OR THE DULY APPOINTED REPRESENTATIVE(S) OF THE BUYER AND/OR ITS CUSTOMER, AND/OR THE RELEVANT REGULATORY AUTHORITIES SHALL BE ENTITLED TO INSPECT AND TEST THE SUPPLIES TO BE SUPPLIED, BOTH DURING AND AFTER MANUFACTURE, WHETHER AT THE SELLER'S FACILITIES OR AT THE PREMISES OF ANY OF ITS SUBCONTRACTOR(S). SELLER SHALL PROVIDE THE LABOUR AND THE FACILITIES REQUIRED FOR PROPER TESTING OF THE SUPPLIES. THE SELLER UNDERTAKES TO GIVE BUYER'S INSPECTOR SUFFICIENT ADVANCE WRITTEN NOTICE PRIOR TO PERFORMING SELLER'S ACCEPTANCE TESTS AND ALL INSPECTIONS REQUIRED. SUCH INSPECTION SHALL IN NO WAY RELIEVE THE SELLER OF ITS RESPONSIBILITIES UNDER

THIS ORDER. ANY SUPPLIES REJECTED SHALL BE REPLACED AT THE SELLER'S EXPENSE.

b) THE BUYER, AT ITS SOLE DISCRETION, MAY EMPLOY EITHER 100% INSPECTION OR A SAMPLING PLAN APPROVED BY BUYER. LOTS WHICH FAIL TO PASS SUCH SAMPLING PLAN MAY BE SUBSEQUENTLY 100% INSPECTED BY BUYER. SELLER WILL BE CHARGED FOR ALL SUCH INSPECTION COSTS. SUCH INSPECTION SHALL NOT CONSTITUTE FINAL INCOMMING INSPECTION BY BUYER, TO BE PERFOMED AT BUYER'S FACILITY.

c) ALL SUPPLIES ORDERED ARE SUBJECT TO BUYER'S FINAL INCOMING INSPECTION AND APPROVAL, AFTER DELIVERY TO BUYER'S FACILITIES. LOTS WHICH FAIL TO PASS INCOMING INSPECTION TEST, WILL BE RETURNED TO SELLER. REJECTED SUPPLIES OR LOTS WHICH ARE RETURNED, SHALL BE RETURNED AT SELLER'S RISK AND EXPENSE FOR PROMPT CORRECTION AND/OR REPLACEMENT, FREE OF CHARGE OR FOR REFUND, AT BUYER'S SOLE DISCRETION. EXERCISE OF THESE REMEDIES SHALL NOT BE EXCLUSIVE, AND SHALL BE IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW OR EQUITY WHICH ARE AVAILABLE TO BUYER. NOTWITHSTANDING PRIOR PAYMENT, IT IS EXPRESSLY AGREED THAT PAYMENT SHALL NOT CONSTITUTE FINAL ACCEPTANCE.

d) SELLER SHALL MAINTAIN AN EFFECTIVE QUALITY ASSURANCE SYSTEM FOR CONTROL OF MATERIAL QUALITY, ASSEMBLY, TESTING, PACKAGING AND SHIPPING, AND ROUTINES FOR QUALITY VERIFICATION AND CORRECTIVE ACTIONS WHICH IS ACCEPTABLE TO THE BUYER AND/OR ITS CUSTOMER. UNLESS OTHERWISE STATED ON THE FACE OF THIS ORDER, SUCH QUALITY ASSURANCE SYSTEM SHALL BE IN ACCORDANCE WITH THE REQUIREMENTS OF MOST UPDATED ISO 9001-2008 STANDARD AND/OR AS-9100 (AS APPLICABLE).

FOR SPECIAL PROCESSES, SELLER SHALL SUBCONTRACT ONLY VENDORS APPROVED BY BUYER AND / OR PERFORM IT INTERNALLY SUBJECT TO BUYER'S APPROVAL.

SELLER SHALL KEEP ALL DRAWINGS AND DOCUMENTS RELEVANT TO THIS ORDER FOR A PERIOD OF 7 YEARS FROM THE LAST DELIVERY.

e) SELLER SHALL NOTIFY BUYER IN WRITING FOR ANY NONCONFORMANCE IN RELATION WITH THE SUPPLIES AND SELLER SHALL OBTAIN BUYER'S APPROVAL FOR NONCONFORMING SUPPLIES DISPOSITION. SELLER SHALL FLOW DOWN THIS DIRECTIVE TO ITS SUBCONTRACTORS INVOLVED IN SELLER'S ORDER.

9) <u>CHANGES</u>

BUYER, AT ANY TIME, BY WRITTEN CHANGE ORDER, MAY MAKE CHANGES IN THE SUPPLIES FURNISHED HEREUNDER OR THEIR QUANTITIES OR DELIVERY DATES OR ANY OTHER TERM OR CONDITION OF THE ORDER. IF THE COST OR DELIVERY TIME IS INCREASED OR DECREASED AS A RESULT OF SUCH CHANGE ORDERS, AN EQUITABLE ADJUSTMENT IN THE ORDER PRICE AND/OR DELIVERY SCHEDULE WILL BE MADE IN THE CHANGE ORDER. IF A PRICE AND/OR DELIVERY

ADJUSTMENT IS NOT INCLUDED IN THE CHANGE ORDER, NO INCREASE IN PRICE OR DELAY IN DELIVERY WILL BE ALLOWED. ANY CLAIM BY SELLER FOR SUCH ADJUSTMENT OR NONE-ADJUSTMENT MUST BE ASSERTED BY SELLER IN WRITING, WITHIN 30 DAYS FROM THE DATE OF THE CHANGE ORDER.
THIS ORDER SHALL NOT BE DEEMED OR CONSTRUED TO BE MODIFIED, AMENDED, CANCELLED OR WAIVED, IN WHOLE OR IN PART, EXCEPT BY A WRITTEN CHANGE ORDER HERETO SIGNED BY THE BUYER'S AUTHORISED REPRESENTATIVE AND NOTHING CONTAINED IN THIS SECTION SHALL EXCUSE SELLER FROM PROCEEDING WITH THE CHANGE ORDER.
ANY MAJOR CHANGE IN SELLER'S PRODUCTION PROCESSES OR ANY OTHER PROCESS REGARDING THE SUPPLIES, SUCH AS: CHANGE IN PRODUCTION SITE LOCATION, DESIGN CHANGES, REPLACEMENT OF MAJOR SUBCONTRACTOR, CHANGE IN ONE OR MORE PRODUCTION PROCESSES, CHANGE THAT AFFECT THE SUPPLIES FFF (FIT, FORM AND FUNCTION), REQUIRES AN ADVANCED NOTIFICATION BY SELLER TO BUYER, IN WRITING.

10) DELIVERY

a) THE TERMS OF DELIVERY ARE AS STATED ON THE FACE OF THIS ORDER AND SHALL BE CONSTRUED IN ACCORDANCE WITH INCOTERMS 2010.
b) IF SELLER'S DELIVERIES FAIL TO MEET THE SCHEDULES SPECIFIED HEREIN AND AS A RESULT BUYER REQUIRES AND SELLER MAKES EXPRESS AND/OR AIR SHIPMENTS, PARTIAL SHIPMENTS, OR BOTH, THEN SELLER AGREES TO ASSUME ALL RESULTING EXCESS SHIPPING CHARGES. INVOICES COVERING SUPPLIES SHIPPED IN ADVANCE OF REQUESTED DELIVERY SCHEDULES WILL NOT BE PAID UNTIL THEIR NORMAL MATURITY AFTER THE DATE SPECIFIED FOR DELIVERY.
c) NOTWITHSTANDING THE ABOVE, NEITHER PARTY SHALL BE LIABLE FOR DELAYS OR DEFAULTS DUE TO CAUSES BEYOND ITS REASONABLE CONTROL WHICH WERE BOTH UNFORESEEABLE AND UNAVOIDABLE. IN THE EVENT OF ANY SUCH OCCURRENCE, THE PARTY SO AFFECTED SHALL IMMEDIATELY NOTIFY THE OTHER PARTY OF ANY SUCH CASE UPON ITS OCCURRENCE.
d) WITHOUT DEROGATING FROM BUYER'S RIGHTS UNDER THIS ORDER, OR IN ACCORDANCE WITH THE LAW AS PROVIDED IN ARTICLE 22 HEREIN, THE BUYER MAY, AT ITS SOLE DISCRETION, CANCEL THIS ORDER IN WHOLE OR IN PART, WHERE THERE IS A DELAY IN DELIVERY FOR ANY REASON, AND IN SUCH CASE SELLER SHALL HAVE NO RIGHT TO CLAIMS AGAINST THE BUYER FOR CANCELLATION OR ANY OTHER CHARGES.
e) THE SELLER HEREBY ACKNOWLEDGES THAT THE TIME OF DELIVERY UNDER THE ORDER IS OF THE ESSENCE AND THAT THE SUPPLIES ORDERED SHALL BE COMBINED WITH OTHER SUPPLIES THE BUYER SHALL SUPPLY TO ITS CUSTOMERS. THEREFORE THE SELLER HEREBY AGREES TO INDEMNIFY THE BUYER FOR ANY LOSSES AND/OR DAMAGES AND/OR EXPENSES INCURRED BY THE BUYER, DUE TO ANY DELAY BY THE SELLER IN SUPPLYING THE

SUPPLIES. DELIVERY AHEAD OF THE SCHEDULES HEREIN SPECIFIED IS SUBJECT TO PRIOR WRITTEN APPROVAL BY BUYER.

f) TITLE TO THE SUPPLIES SHALL PASS TO BUYER, FREE OF ALL LIENS, CLAIMS AND ENCUMBRANCES, UPON DELIVERY THEREOF IN ACCORDANCE WITH THE PROVISIONS OF THIS ORDER.

11) WARRANTIES

BY ACCEPTANCE OF THE ORDER THE SELLER WARRANTS ALL SUPPLIES SUPPLIED FOR A PERIOD OF TWELVE (12) MONTHS, AND TEN YEARS FOR LATENT DEFECTS, (UNLESS A DIFFERENT PERIOD IS SPECIFIED IN WRITING IN THIS ORDER) FROM THE DATE OF RECEIPT OF THE APPLICABLE SUPPLIES BY THE BUYER AT ITS WAREHOUSE, AGAINST ANY DEFECT WHICH MAY ARISE DUE TO FAULTY DESIGN, WORKMANSHIP, MATERIAL OR PERFORMANCE. ANY DEFECTIVE ITEM WILL BE PROMPTLY REPLACED BY SELLER WITHOUT COST TO BUYER, AND THE WARRANTY TERMS RENEWED FOR ITEMS REPLACED. THE DEFECTIVE ITEMS WILL BE HELD AT THE DISPOSAL OF SELLER FOR RETURN AND REPLACEMENT AT ITS EXPENSE. UPON BUYER'S REQUEST, SELLER SHALL PROMPTLY PROVIDE BUYER WITH A 'RETURN OF MATERIAL AUTHORIZATION' NUMBER (RMA). IF SELLER FAILS TO PROVIDE SUCH RMA, IT SHALL BE DEEMED AS SELLER'S DEFAULT. THIS CONTRACTUAL WARRANTY IS APPLICABLE WITHOUT PREJUDICE TO OTHER WARRANTIES AVAILABLE AT LAW.

12) INTELLECTUAL PROPERTY INDEMNIFICATION

SELLER AGREES TO SAVE BUYER, BUYER'S CUSTOMERS AND THEIR REPRESENTATIVES, DIRECTORS AND EMPLOYEES (HEREINAFTER THE "**INDEMNITEES**") HARMLESS AGAINST ANY LOSS, DAMAGE OR LIABILITY (INCLUDING ANY COSTS AND/OR EXPENSES INCIDENTAL THERETO) INCURRED ON ACCOUNT OF ANY INFRINGEMENT OF ANY PATENT OR OTHER PROPRIETARY RIGHTS WITH RESPECT TO ANY SUPPLIES FURNISHED UNDER THIS ORDER, PROVIDED THAT SUCH SUPPLIES ARE NOT MANUFACTURED SOLELY PURSUANT TO A DESIGN FURNISHED TO SELLER BY BUYER. SELLER ALSO AGREES THAT IT WILL, AT its OWN EXPENSE, DEFEND THE INDEMNITEES AGAINST ANY ACTION, SUIT OR CLAIM IN WHICH INFRINGEMENT IS ALLEGED, PROVIDED SELLER IS DULY NOTIFIED AS TO SUCH SUIT OR CLAIM, AS SOON AS PRACTICABLE. IN CASE THE SUPPLIES OR ANY PART THEREOF, ARE HELD TO CONSTITUTE AN INFRINGEMENT OR THE USE OF THE SUPPLIES OR ANY PART THEREOF IS ENJOINED, SELLER SHALL, AT ITS OWN EXPENSE, EITHER (1) PROCURE FOR BUYER THE RIGHT TO CONTINUE USING THE SUPPLIES OR ANY PART THEREOF, (2) REPLACE SAME WITH NONINFRINGING SUPPLIES OR PARTS THEREOF, OR (3) MODIFY THE SUPPLIES SO THAT THEY BECOME NON-INFRINGING. SELLER SHALL NOT BE LIABLE TO BUYER ONLY IF THE SELLER PROVES THAT ANY INFRINGEMENT OR CLAIM THEREOF IS BASED UPON THE USE BY BUYER OF THE SUPPLIES IN COMBINATION WITH OTHER ITEMS WHERE SUCH INFRINGEMENT OR CLAIM THEREOF WOULD NOT HAVE OCCURRED FROM THE NORMAL USE FOR WHICH THE SUPPLIES WERE DESIGNED.

13) PROPRIETARY RIGHTS, RIGHTS IN DATA AND CONFIDENTIALITY

a) WHERE PERFORMANCE UNDER THIS PURCHASE ORDER INCLUDES EXPERIMENTAL, DEVELOPMENTAL, OR RESEARCH EFFORT OR NON-RECURRING INCLUDING TOOLINGS AND SUCH WORK IS PAID FOR IN WHOLE OR IN PART BY BUYER, SELLER AGREES TO DISCLOSE TO BUYER ALL CONFIDENTIAL PROCESSES AND/OR KNOW-HOW AND/OR TRADE SECRETS AND/OR ANY INVENTION, DISCOVERY, PROPRIETARY INFORMATION AND OR ANY TOOLING RESULTING THEREFROM. ALL PATENTS, COPYRIGHT, TRADE SECRETS, TRADEMARKS, OR OTHER INTELLECTUAL PROPERTY RESULTING THEREFROM SHALL BE THE SOLE PROPERTY OF THE BUYER AND AT BUYER'S REQUEST, SELLER SHALL ASSIGN TO BUYER EACH INVENTION AND PROPRIETARY RIGHTS RESULTING THEREFROM, INCLUDING WITHOUT LIMITATION ANY PATENT OR PATENT APPLICATION, WITHOUT ADDITIONAL CHARGE. SELLER SHALL PROVIDE SUPPORT FOR BUYER’S PROSECUTION OF SUCH PATENT APPLICATION. BUYER SHALL HAVE THE FULL RIGHT TO USE SUCH PROPERTY IN ANY MANNER WITHOUT ANY CLAIM ON THE PART OF THE SELLER AND WITHOUT ANY DUTY TO ACCOUNT TO THE SELLER FOR SUCH USE.

b) IN THE EVENT THE ORDER INCLUDES SUPPLY OF SUPPLIES THAT REQUIRES A LICENSE BY THE SELLER AND/OR BY THE MANUFACTURER AND/OR BY ANY THIRD PARTY FOR THE USAGE OF THE SUPPLIES AND/OR THE TRANSFER OF THE SUPPLIES TO ANY THIRD PARTY, EITHER AS AN INDEPENDENT UNIT OR COMBINED WITH OTHER ITEMS, EITHER HARDWARE OR SOFTWARE, THE SELLER HEREBY DECLARES THAT IT IRREVOCABLY GRANTS SUCH LICENSE TO THE BUYER WITHOUT RESTRICTION, NOTWITHSTANDING ANY STANDARD LICENSE WHICH MAY ACCOMPANY THE SUPPLIES, UNLESS THE BUYER EXPLICITLY AGREES TO SUCH STANDARD TERM.

c) SELLER AGREES THAT ALL INFORMATION DISCLOSED BY BUYER TO SELLER, INCLUDING WITHOUT LIMITATION INFORMATION CONTAINED IN DRAWINGS, SPECIFICATIONS, OR OTHER DOCUMENTS, SOFTWARE OR OTHER ITEMS, WHICH ARE SUBMITTED BY BUYER TO SELLER UNDER OR PURSUANT TO THIS ORDER, IS PROPRIETARY TO BUYER (HEREINAFTER THE "PROPRIETARY INFORMATION"), AND SELLER UNDERTAKES THAT UNLESS THE BUYER OTHERWISE APPROVES IN WRITING, THE PROPRIETARY INFORMATION SHALL NOT BE UTILIZED IN WHOLE OR IN PART BY SELLER, EXCEPT FOR THE FULFILMENT OF THIS ORDER. PROPRIETARY INFORMATION SHALL NOT INCLUDE INFORMATION WHICH THE SELLER CAN PROVE BY EVIDENCE IN WRITING TO BE IN THE PUBLIC DOMAIN, OTHER THAN THROUGH THE FAULT OR NEGLIGENCE OF THE SELLER, OR WHICH IS KNOWN TO THE SELLER AT THE TIME OF ITS DISCLOSURE WITHOUT OBLIGATION OF CONFIDENCE, OR IS RIGHTFULLY OBTAINED WITHOUT RESTRICTION BY THE SELLER FROM A THIRD PARTY. SELLER SHALL NOT DISCLOSE THE PROPRIETARY

INFORMATION TO ANY THIRD PARTY, AND SHALL TAKE ALL REASONABLE PRECAUTIONS TO PREVENT THE DISCLOSURE OF THE PROPRIETARY INFORMATION TO THIRD PARTIES. RECEIPT BY SELLER HEREUNDER OF BUYER'S PROPRIETARY INFORMATION SHALL NOT BE DEEMED AS A GRANT OF ANY RIGHT OR LICENSE TO SELLER WITH RESPECT TO SUCH INFORMATION. THE PROVISIONS OF THIS SECTION 13)c) SHALL SURVIVE THE COMPLETION AND/OR TERMINATION OF THIS ORDER AND CONTINUE TO BE IN FULL FORCE AND EFFECT FOR A PERIOD OF TEN (10) YEARS THEREAFTER. UPON THE COMPLETION AND/OR TERMINATION OF THIS ORDER, SELLER SHALL IMMEDIATELY RETURN TO BUYER THE PROPRIETARY INFORMATION AND ALL COPIES THEREOF, OR PURSUANT TO BUYER'S REQUEST, DESTROY SUCH PROPRIETARY INFORMATION, AND PROVIDE BUYER A WRITTEN CERTIFICATE OF DESTRUCTION.

d) ANY INFORMATION WHICH IS PROPRIETARY TO SELLER AND WHICH IS DISCLOSED IN THE PRODUCTS OR DOCUMENTS FURNISHED TO BUYER HEREUNDER SHALL RE DEEMED TO HAVE BEEN DISCLOSED AS A PART OF THE CONSIDERATION FOR THIS ORDER AND BUYER SHALL HAVE FULL RIGHT TO ITS USE AS BUYER SO DEEMS.

e) SELLER SHALL COMPLY WITH ALL APPLICABLE SECURITY PROCEDURES AND REGULATIONS, AND ACCESS TO ANY PROPRIETARY INFORMATION WHICH MAY CONTAIN CLASSIFIED INFORMATION SHALL BE RESTRICTED ACCORDINGLY.

f) ANY ADVERTISING OF THIS PURCHASE ORDER OR ANY NEWS RELEASE RELATING THERETO OR OTHERWISE RELATING TO BUYER (INCLUDING THE SUPPLIES SUPPLIED HEREUNDER AND PICTURES, DESCRIPTIONS OR SAMPLES THEREOF) BY SELLER IS PROHIBITED, EXCEPT WITH BUYER'S PRIOR WRITTEN APPROVAL.

14) <u>STOP WORK ORDER</u>

a) BUYER MAY, FROM TIME TO TIME BY WRITTEN ORDER, (THE “STOP WORK ORDER”), SUSPEND ALL OR PART OF THE WORK TO BE PERFORMED UNDER THE ORDER FOR AN ACCUMULATED PERIOD NOT TO EXCEED ONE HUNDRED AND TWENTY (120) DAYS. SELLER SHALL TAKE ALL REASONABLE STEPS TO MINIMIZE THE RECURRING OF COSTS ALLOCABLE TO THE WORK COVERED BY THE STOP WORK ORDER.

WITHIN SUCH PERIOD OF ANY STOP WORK, BUYER SHALL: (I) CANCEL THE STOP WORK ORDER; (II) TERMINATE THE ORDER IN ACCORDANCE WITH THE "TERMINATION " ARTICLE, FOR CONVENIENCE – PARAGRAPH B) OF THE ORDER; (III) TERMINATE THE ORDER IN ACCORDANCE WITH THE "TERMINATION " ARTICLE, FOR DEFAULT - PARAGRAPH A) OF THE ORDER IF GROUNDS FOR DEFAULT EXIST; OR (IV) EXTEND THE STOP WORK ORDER PERIOD.

b) SELLER SHALL RESUME WORK WHENEVER A STOP WORK ORDER IS CANCELED. BUYER AND SELLER SHALL NEGOTIATE AN EQUITABLE

ADJUSTMENT IN THE PRICE OR SCHEDULE OR BOTH IF: (I) THE ORDER IS NOT TERMINATED; (II) THE STOP WORK ORDER RESULTS IN A CHANGE IN SELLER'S COST OF PERFORMANCE OR ABILITY TO MEET THE ORDER DELIVERY SCHEDULE; AND (III) SELLER SUBMITS A CLAIM FOR ADJUSTMENT WITHIN FIFTEEN (15) DAYS AFTER THE STOP WORK ORDER IS CANCELED.

15) TERMINATION

a) BUYER RESERVES THE RIGHT TO TERMINATE THIS ORDER, OR ANY PART HEREOF, AND TO CANCEL ALL OR ANY PART OF THE UNDELIVERED PORTION OF THIS ORDER IF SELLER DOES NOT MAKE DELIVERIES AS PROVIDED IN THIS ORDER OR IF SELLER OTHERWISE BREACHES ANY OF THE TERMS HEREOF, INCLUDING SELLER'S WARRANTIES . IN ADDITION TO THE AFORESAID BUYER SHALL HAVE THE RIGHT TO TERMINATE THIS ORDER OR ANY PART THEREOF, AND CANCEL ALL OR ANY PART OF THE UNDELIVERED PORTION, IN THE EVENT OF THE OCCURRENCE OF ANY OF THE FOLLOWING: (i) INSOLVENCY OF SELLER, AND/OR (ii) FILING OF AN INVOLUNTARY PETITION TO HAVE SELLER DECLARED BANKRUPT, (PROVIDED IT IS NOT CANCELLED WITHIN THIRTY DAYS FROM DATE OF SUCH FILING), AND/ OR (iii) UPON THE GRANTING OF A WINDING-UP OR SIMILAR ORDER IN RESPECT OF THE SELLER, OR IF A TEMPORARY OR PERMANENT LIQUIDATOR OR RECEIVER IS APPOINTED IN RESPECT OF THE SELLER, OR IF A TEMPORARY OR PERMANENT ATTACHMENT ORDER IS GRANTED ON ALL SELLER'S ASSETS, OR A SUBSTANTIAL PORTION THEREOF, (PROVIDED SUCH ORDER OR APPOINTMENT IS NOT CANCELLED WITHIN 30 DAYS OF THE GRANT OF SUCH ORDER OR THE DATE OF SUCH APPOINTMENT), AND/OR (iv) THE EXECUTION BY SELLER OF ANY ASSIGNMENT FOR THE BENEFIT OF ITS CREDITORS AND/OR (v) IF THE SELLER PASSES A RESOLUTION FOR ITS VOLUNTARY WINDING-UP. BUYER SHALL HAVE NO OBLIGATION TO SELLER IN RESPECT TO THE CANCELLED PORTION OF THIS ORDER. BUYER'S LIABILITY SHALL BE LIMITED TO PAYMENT FOR THE DELIVERED AND ACCEPTED PORTION OF THIS ORDER WHICH IS USABLE BY BUYER AT THE RATE SPECIFIED ON THE FACE HEREOF (REFLECTING QUANTITY PRICES AS THOUGH THIS ORDER HAD GONE TO FULL COMPLETION). IF AS A RESULT OF DEFAULT OF PERFORMANCE BY THE SELLER, THIS ORDER IS TERMINATED IN WHOLE OR IN PART AND IT IS NECESSARY TO PROCURE ANY OF THE SPECIFIED SUPPLIES ELSEWHERE, THEN SELLER SHALL BE LIABLE FOR ANY REPROCUREMENT CHARGES WHICH EXCEED THE AMOUNT WHICH WOULD HAVE BEEN DUE TO THE SELLER IF IT HAD SATISFACTORILY COMPLETED THIS ORDER. THESE REMEDIES SHALL BE CUMULATIVE AND ADDITIONAL TO ANY OTHER REMEDIES AVAILABLE TO BUYER IN LAW OR IN EQUITY.

b) BUYER MAY, FOR ITS CONVENIENCE, TERMINATE WORK UNDER THIS ORDER, IN WHOLE OR IN PART, AT ANY TIME, BY GIVING NOTICE TO SELLER IN WRITING. SELLER WILL THEREUPON IMMEDIATELY STOP WORK ON THIS ORDER, ON THE TERMINATED PORTION THEREOF, AND NOTIFY ANY

SUBCONTRACTORS TO DO LIKEWISE. SELLER SHALL BE ENTITLED TO REIMBURSEMENT FOR ITS ACTUAL COSTS INCURRED UP TO AND INCLUDING THE DATE OF TERMINATION, PROVIDED THAT SUCH COSTS ARE JUSTIFIED CONSIDERING THE RELATIVE POINT IN TIME OF THE ORDER EXECUTION AND THAT TITLE TO COMPLETED AND PARTIALLY COMPLETED SUPPLIES INCLUDING ANY MATERIAL REQUIRED ARE TRANSFERED TO BUYER. SUCH COSTS TO BE DETERMINED IN ACCORDANCE WITH RECOGNIZED ACCOUNTING PRINCIPLES. SELLER SHALL ALSO BE ENTITLED TO A REASONABLE PROFIT ON THE WORK DONE PRIOR TO SUCH TERMINATION AT A RATE NOT EXCEEDING THE RATE USED IN ESTABLISHING THE ORIGINAL PURCHASE PRICE. THE TOTAL OF SUCH CLAIM SHALL NOT EXCEED THE ORDER PRICE FOR THE PRO-RATA PORTION OF THIS ORDER WHICH IS CANCELLED, REDUCED BY AMOUNTS PREVIOUSLY PAID TO SELLER HEREUNDER.

c) TERMINATION CLAIMS SHALL BE SUBJECT TO INSPECTION AND AUDIT BY THE BUYER IN THE EVENT OF CANCELLATION UNDER THIS CLAUSE.

16) PRICES

UNLESS OTHERWISE SPECIFIED IN THIS ORDER, PRICES INDICATED IN THE ORDER ARE FIRM, FIXED AND FINAL, NOT SUBJECT TO ANY CHANGE OR ESCALATION AND INCLUSIVE OF ALL TAXES, FEES AND LEVIES.

17) PAYMENT TERMS

PAYMENT TERMS SHALL BE AS AGREED BETWEEN BUYER AND SELLER AND AS SPECIFIED IN WRITING IN THE ORDER.

18) INDEMNITY

SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER, ITS CUSTOMERS AND THEIR OFFICERS EMPLOYEES, AGENTS AND INVITEES FROM AND AGAINST ALL CLAIMS, JUDGMENTS, LIABILITIES, LOSSES, INJURIES AND DAMAGES OF EVERY AND/OR ANY NATURE, INCLUDING WITHOUT LIMITATION, IN RESPECT OF INJURIES OR DEATH TO PERSONS OR DAMAGES TO PROPERTY (INCLUDING COSTS AND EXPENSES INCIDENTAL THERETO), CAUSED BY (i) THE ACTS OR OMISSIONS TO ACT BY THE SELLER, ITS OFFICERS, EMPLOYEES, AGENTS, INVITEES OR VENDORS, DIRECTLY OR INDIRECTLY ARISING OUT OF THE PERFORMANCE OF THIS ORDER OR ANY ACT OR FAILURE TO ACT BY SUBCONTRACTORS OR SUPPLIERS OF THE SELLER AND/OR (ii) THE SUPPLIES DELIVERED HEREUNDER AND/OR (iii) THE VIOLATION BY SELLER OR ITS SUBCONTRACTOR(S) OR THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, INVITEES OR VENDORS OF ANY APPLICABLE LAWS, ACTS OR REGULATIONS.

19) ASSIGNMENT

SELLER SHALL NOT BE ENTITLED TO ASSIGN ITS RIGHTS AND OBLIGATIONS UNDER THIS ORDER WITHOUT BUYER'S PRIOR WRITTEN CONSENT.
BUYER IS ENTITLED TO FREELY ASSIGN ALL OR ANY PART OF RIGHTS UNDER THIS ORDER TO ANY PARENT, SUBSIDIARY OR ASSOCIATED COMPANY.

20) TAXES

BUYER SHALL NOT BE LIABLE UNDER OR IN CONNECTION WITH THIS ORDER FOR ANY GOVERNMENTAL, MUNICIPAL OR OTHER TAXES, DUTIES, LEVIES AND/OR COMPULSORY PAYMENTS.

21) EXPORT /IMPORT PERMIT

SELLER SHALL BE RESPONSIBLE TO OBTAIN AN EXPORT PERMIT/LICENSE, AND ANY OTHER LICENSE OR APPROVAL, TO THE EXTENT REQUIRED, UNDER APPLICABLE LAW FOR THE SUPPLY OF THE SUPPLIES OR PERFORMANCE OF SERVICES UNDER THIS ORDER. BUYER SHALL BE RESPONSIBLE TO OBTAIN AN IMPORT PERMIT FOR THE SAME, IF REQUIRED UNDER APPLICABLE LAW. SELLER SHALL BE RESPONSIBLE FOR OBTAINING ALL OTHER APPROVALS, PERMITS AND LICENSE REQUIRED TO MEET ITS OBLIGATIONS UNDER THIS ORDER.

SELLER SHALL NOTIFY BUYER IN ADVANCE WHAT GOVERNANCE APPLIES ON THE SUPPLIES AND IN CASE ANY FORM OF STATEMENT, INCLUDING BUT NOT LIMITED TO: AN END USE/END USER STATEMENT AND/OR A REQUEST FOR THE TRANSFER OF INFORMATION IS REQUIRED, SELLER SHALL OBTAIN A WRITTEN APPROVAL FROM BUYER FOR PROVIDING THE REQUIRED STATEMENT AND/OR THE TRANSFER OF INFORMATION.
SELLER SHALL DOCUMENT AN ORDERLY REGISTRATION OF THE RESTRICTED ITEMS AND UPON DELIVERY TO BUYER SHALL PROVIDE BUYER WITH THE RELEVANT PERMITS AND/OR LICENSES.

22) DISPUTES

ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH CAN NOT BE SETTLED BY AGREEMENT BETWEEN THE PARTIES SHALL BE FINALLY SETTLED BY LITIGATION IN THE COURTS OF HAIFA OR TEL AVIV AT BUYER'S DISCRETION, ISRAEL, EXCLUSIVELY, TO WHOSE JURISDICTION THE PARTIES HEREBY CONSENT.

23) GOVERNING LAW

THE LAW GOVERNING THIS ORDER SHALL BE THE LAW OF THE STATE OF ISRAEL WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PRINCIPLES.

24) SUPPLIER CODE OF CONDUCT

BUYER IS COMMITTED TO BEST PRACTICES REGARDING INTEGRITY IN BUSINESS CONDUCT, INCLUDING IN OUR DEALINGS WITH OUR SUPPLIERS, CONTRACTORS AND CONSULTANTS.

OUR COMMITMENT TO OPERATE ACCORDING TO ETHICAL STANDARDS IS AN IMPORTANT FACTOR IN ENABLING THE BUYER TO MEET OUR BUSINESS GOALS AND DEMANDS OF TODAY'S MARKETPLACE.

A RELIABLE AND ETHICAL SUPPLY CHAIN IS CRITICAL FOR THE BUYER'S ABILITY TO SUPPORT OUR AND OUR CUSTOMERS' GOALS. INTEGRITY, SAFETY AND QUALITY ARE FUNDAMENTAL TO THE BUYER'S PERFORMANCE, AND WE ENCOURAGE A COLLABORATIVE ENVIRONMENT WITH OUR SUPPLY CHAIN IN THESE AREAS. OUR CUSTOMERS RELY ON US TO WORK WITH SUPPLIERS, SUBCONTRACTORS AND OTHER BUSINESS PARTNERS WHO SHARE THESE VALUES.

TO SUPPORT THE BUSINESS INTEGRITY OF OUR ACTIVITIES, WE REQUIRE THAT MEMBERS OF OUR SUPPLY CHAIN ENDORSE OUR VALUES RELATING TO THE RANGE OF AREAS SET FORTH IN THIS SUPPLIER CODE OF CONDUCT (THE "CODE"). THE PRINCIPLES SET FORTH IN THE CODE REPRESENT A FUNDAMENTAL PART OF OUR MUTUAL COMMITMENT ON HOW WE DO BUSINESS AND ARE INTEGRAL TO EVERY RELATIONSHIP YOU HAVE WITH THE COMPANY.

A. BUYER'S COMMITMENT TO FAIR AND ETHICAL CONDUCT

(1) BUYER IS COMMITTED TO CONDUCTING ITS BUSINESS FAIRLY, IMPARTIALLY, ETHICALLY AND IN A PROPER MANNER, INCLUDING IN MAKING ITS PROCUREMENT DECISIONS.

(2) BUYER'S CODE OF BUSINESS CONDUCT AND ETHICS (THE "CODE") IS PUBLISHED ON BUYER'S WEBSITE AT: WWW.ELBITSYSTEMS.COM UNDER "ABOUT" – "ETHICS AND CONDUCT" - "SUPPLIER CODE OF CONDUCT" OR "INVESTOR RELATIONS" – "CORPORATE GOVERNANCE" – "ETHICS AND CONDUCT" – "SUPPLIER CODE OF CONDUCT". AMONG OTHER PROVISIONS OF THE CODE, BUYER REQUIRES ITS EMPLOYEES TO TIMELY DISCLOSE ANY SITUATIONS WHERE FAMILY MEMBERS, CLOSE PERSONAL FRIENDS, OR FORMER BUYER EMPLOYEES COULD BIAS, OR APPEAR TO BIAS, BUYER'S BUSINESS DECISIONS, INCLUDING THOSE RELATING TO PROCUREMENT.

(3) THE CODE ALSO PROVIDES THAT BUYER'S EMPLOYEES MAY ACCEPT ONLY NOMINAL VALUE GIFTS, ENTERTAINMENT OR OTHER ITEMS FROM SUPPLIERS OR POTENTIAL SUPPLIERS, AS SET FORTH IN OUR ANTI-BRIBERY COMPLIANCE POLICY.

B. SELLER'S CONDUCT

SELLER SHOULD REFER TO THIS CODE'S PRINCIPLES WHEN ETHICAL AND COMPLIANCE ISSUES ARISE. EACH OF THE PRINCIPLES IN THIS CODE IS FUNDAMENTAL TO HOW WE DO BUSINESS.

THE BUYER RELIES ON OUR SUPPLY CHAIN TO CHOOSE SUB-TIER SUBCONTRACTORS AND SUPPLIERS THAT ALSO SHARE THE VALUES INCLUDED IN THE CODE. IT IS IMPORTANT EVERYONE WORKING ON YOUR BEHALF FOR US CONDUCTS BUSINESS IN THE MANNER PRESCRIBED BY THE CODE.

BY ENTERING INTO ANY SUBCONTRACT OR PURCHASE ORDER WITH THE BUYER, YOU ARE COMMITTING TO CONDUCT YOUR ACTIVITIES IN A MANNER CONSISTENT WITH THIS CODE. ACCORDINGLY, ALL OF YOUR BUSINESS ACTIVITIES RELATING TO WORK WITH THE BUYER MUST BE PERFORMED IN A MANNER THAT IS FAIR, ETHICAL AND COMPLIANT WITH THIS CODE AND APPLICABLE LAWS AND REGULATIONS.

WHILE THE CODE CONTAINS STANDARDS TO BE FOLLOWED, NO ONE DOCUMENT CAN COVER ALL SITUATIONS. IF, FOR WHATEVER REASONS, FOLLOWING THE CODE WOULD CONFLICT WITH A LEGAL REQUIREMENT, YOU MUST COMPLY WITH THE LAW.

(1) SELLER WILL CONDUCT ALL OF ITS BUSINESS ACTIVITIES RELATING TO BUYER IN A MANNER THAT IS FAIR, ETHICAL AND FULLY COMPLIANT WITH APPLICABLE LAWS AND REGULATIONS, INCLUDING, BUT NOT LIMITED TO, THOSE RELATING TO:

- HUMAN RIGHTS
  - CHILD LABOR
  - HUMAN TRAFFICKING, INCLUDING FORCED OR INDENTURED LABOR
- EMPLOYMENT PRACTICES
  - HARASSMENT
  - NON-DISCRIMINATION
  - WAGE AND BENEFITS
  - FREE ASSOCIATION
- ANTI-CORRUPTION
  - ANTI-CORRUPTION LAWS AND REGULATIONS

- ZERO TOLERANCE POLICY
- ILLEGAL AND IMPROPER PAYMENTS OR BENEFITS
- DUE DILIGENCE
- GIFTS/BUSINESS COURTESIES
- OFFERS OF EMPLOYMENT
- FRAUD AND DECEPTION

- COMPETITION AND ANTI-TRUST
- INSIDER TRADING
- CONFLICTS OF INTEREST
- MAINTAIN ACCURATE RECORDS
- INFORMATION PROTECTION
  - PROTECTION OF SENSITIVE INFORMATION
  - USE OF SENSITIVE INFORMATION
  - INFORMATION SECURITY
- MARKETING MATERIALS AND INTERACTIONS WITH THE MEDIA
- ENVIRONMENT, HEALTH AND SAFETY
  - ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT
  - CONSERVATION OF NATURAL RESOURCES
  - PROTECTION OF EMPLOYEE HEALTH AND SAFETY
- GLOBAL TRADE COMPLIANCE
- RESPONSIBLE SOURCING OF MINERALS
- COUNTERFEIT PARTS
- GOVERNMENT PROCUREMENT
  - COMPLIANCE WITH GOVERNMENT CONTRACTING REGULATIONS
  - SOURCE SELECTION INFORMATION
  - LOBBYING
- ETHICS PROGRAM EXPECTATIONS
  - WHISTLEBLOWER PROTECTION AND NON-RETALIATION
  - CONSEQUENCES FOR VIOLATING THE CODE
  - ETHICS POLICIES
- REPORTING CONCERNS
  - SELF MONITORING AND REPORTING
  - REPORTING POINT OF CONTACT
- RIGHT TO AUDIT

SELLER IS EXPECTED TO COMPLY WITH THE ABOVE LISTED OF THE CODE REQUIREMENTS WHICH ARE DETAILED AS PUBLISHED ON BUYER'S WEBSITE AT: WWW.ELBITSYSTEMS.COM UNDER "ABOUT" – "ETHICS AND CONDUCT" - "SUPPLIER CODE OF CONDUCT" OR

"INVESTOR RELATIONS" – "CORPORATE GOVERNANCE" – "ETHICS AND CONDUCT" - "SUPPLIER CODE OF CONDUCT".

(2) SELLER IS EXPECTED TO SELF MONITOR ITS COMPLIANCE WITH THE ABOVE-MENTIONED STANDARDS OF CONDUCT AND TO PROMPTLY NOTIFY BUYER IN THE EVENT OF ANY NON-COMPLIANCE OR SUSPICION OF NON-COMPLIANCE THAT COULD EFFECT SELLER'S ACTIVITIES WITH BUYER.

25) **PROHIBITED SOFTWARE**

A) THIS CLAUSE ONLY APPLIES TO SUPPLIES THAT INCLUDES THE DELIVERY OF SOFTWARE.

B) AS USED HEREIN, "PROHIBITED LICENSE" MEANS THE GENERAL PUBLIC LICENSE ("GPL") OR LESSER/LIBRARY GPL, THE ARTISTIC LICENSE (E.G., PERL), THE MOZILLA PUBLIC LICENSE, THE NETSCAPE PUBLIC LICENSE, THE SUN COMMUNITY SOURCE LICENSE, THE SUN INDUSTRY STANDARDS LICENSE, OR VARIATIONS THEREOF, INCLUDING WITHOUT LIMITATION LICENSES REFERRED TO AS "GPL-COMPATIBLE, FREE SOFTWARE LICENSE."

C) "PROHIBITED SOFTWARE" MEANS SOFTWARE THAT INCORPORATES OR EMBEDS SOFTWARE IN, OR USES SOFTWARE INCONNECTION WITH, AS PART OF, BUNDLED WITH, OR ALONGSIDE ANY (1) OPEN SOURCE OR "FREE" SOFTWARE, LIBRARY ORDOCUMENTATION, OR (2) SOFTWARE LICENSED UNDER OR SUBJECTS THE SOFTWARE TO A PROHIBITED LICENSE, OR (3) SOFTWARE PROVIDED UNDER A LICENSE THAT REQUIRES THE DELIVERED SOFTWARE TO BE LICENSED FOR THE PURPOSE OF MAKING DERIVATIVE SUPPLIES OR BE REDISTRIBUTABLE AT NO CHARGE, OR OBLIGATES BUYER TO MAKE AVAILABLE IN ANY WAY OR ACCESSIBLE TO ANY THIRD PARTY THE DELIVERED SOFTWARE, IN ANY FORMAT, OR ANY PORTION THEREOF, ANY PRODUCTS AND/OR OBJECT CODE AND/OR SOURCE CODE FORMATS INCORPORATING THE DELIVERED SOFTWARE.

D) UNLESS SELLER HAS OBTAINED BUYER PRIOR WRITTEN CONSENT, WHICH BUYER MAY WITHHOLD IN ITS SOLE DISCRETION, SELLER SHALL NOT USE IN CONNECTION WITH THIS ORDER, OR DELIVER TO BUYER, ANY PROHIBITED SOFTWARE.

SELLER AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS BUYER, ITS CUSTOMERS AND SUPPLIERS FROM AND AGAINST ANY CLAIMS, DAMAGES, LOSSES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, RELATING TO USE IN CONNECTION WITH THIS ORDER OR THE DELIVERY OF PROHIBITED SOFTWARE.

26) COUNTERFEIT MATERIEL PREVENTION

SELLER REPRESENTS AND WARRANTS BY ACCEPTANCE OF THE ORDER AND CERTIFIES WITH EACH SHIPMENT OF DELIVERABLES THAT ONLY NEW AND AUTHENTIC MATERIALS WILL BE USED AND THEY CONTAIN NO COUNTERFEIT MATERIEL. SELLER SHALL ONLY PURCHASE AUTHENTIC MATERIALS/COMPONENTS DIRECTLY FROM THE OEM'S/OCM'S OR THROUGH THE OEM'S/OCM'S AUTHORIZED OR FRANCHISED DISTRIBUTION CHAIN. SELLER FURTHER REPRESENTS AND WARRANTS THAT IT HAS (OR WILL HAVE) AND WILL MAKE AVAILABLE TO BUYER, AT BUYER'S REQUEST, ALL ACQUISITION/PROCUREMENT DOCUMENTATION FROM THE OEM/OCM OR THEIR AUTHORIZED OR FRANCHISED DISTRIBUTION CHAIN THAT AUTHENTICATES TRACEABILITY OF EACH PART, COMPONENT, MODULE OR ASSEMBLY OF SELLER'S PRODUCTS OR GOODS BACK TO THE APPLICABLE OEM/OCM. FOR PURPOSES OF THIS PARAGRAPH, "COUNTERFEIT MATERIEL" SHALL MEAN A PART, COMPONENT, MODULE, OR ASSEMBLY OR SUPPLIES WHOSE ORIGIN, MATERIAL, SOURCE OF MANUFACTURE, PERFORMANCE, OR CHARACTERISTICS ARE MISREPRESENTED. THE TERM "COUNTERFEIT MATERIEL" INCLUDES, BUT IS NOT LIMITED TO, (A) PARTS THAT HAVE BEEN (RE)MARKED TO DISGUISE THEM OR FALSELY REPRESENT THE IDENTITY OF THE MANUFACTURER, (B) DEFECTIVE PARTS AND/OR SURPLUS MATERIAL SCRAPPED BY THE ORIGINAL MANUFACTURER, (C) PREVIOUSLY USED MATERIEL PULLED, REPAIRED OR OTHERWISE RECLAIMED AND PROVIDED AS "NEW" OR (D) MATERIEL THAT HAVE REACHED A DESIGN LIFE LIMIT.

SELLER WILL ESTABLISH AND MAINTAIN A COUNTERFEIT MATERIEL PREVENTION AND CONTROL PLAN, USING AS A GUIDELINE AEROSPACE STANDARDS SAE AS5553 AND AS6174. THE PURPOSE OF THE PLAN SHALL BE TO PREVENT THE DELIVERY OF COUNTERFEIT MATERIEL AND CONTROL OF MATERIEL IDENTIFIED AS COUNTERFEIT.

IF COUNTERFEIT MATERIEL ARE FURNISHED UNDER THIS ORDER, BUYER SHALL HAVE THE RIGHT TO ACT IN ACCORDANCE WITH AS6174 AND AS5553 INCLUDING, IMPOUNDING AND DESTROYING THE MATERIEL. SELLER SHALL BE LIABLE FOR ALL COSTS RELATED TO THE MATERIEL IMPOUNDING, DESTROYING, REMOVAL AND REPLACEMENT. BUYER RESERVES THE RIGHT TO WITHHOLD PAYMENTS FOR SAID MATERIEL. BUYER ALSO RESERVES THE RIGHT TO REPORT AND TO TURN OVER SUCH COUNTERFEIT MATERIEL TO THE RELEVANT AUTHORITIES.

NOTWITHSTANDING THE ABOVE AND IN ADDITION, IN THE EVENT THAT THE END USER IS THE U.S. DOD, AS DEFINED IN ARTICLE 30 HEREIN ("U.S GOVERNMENT CLAUSES"), THEN DFARS 252.246-7007 CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM, AS WELL AS NDAA SECTION 818, ARE FULLY APPLICABLE.

IN THE EVENT OF CONTRADICTIONS BETWEEN THE DFARS OR THE NDAA PROVISIONS AND THE OTHER PROVISIONS OF THIS ARTICLE, "COUNRFEIT MATERIAL PREVENTION", THE MORE STRINGENT PROVISIONS SHALL APPLY.

SELLER SHALL INCLUDE THE TERMS OF THIS ARTICLE IN ITS SUBCONTRACTS TO THE EXTENT RELEVANT.

27) CYBER SECURITY INCIDENT REPORTING

IT IS OUR CUSTOMERS' AND OUR EXPECTATION THAT WE WILL BE NOTIFIED IF ANY INFORMATION PROVIDED BY BUYER OR GENERATED IN SUPPORT OF BUSINESS WITH BUYER IS IMPACTED AS A RESULT OF A CYBERSECURITY INCIDENT. THEREFORE:

- SELLER MUST NOTIFY BUYER WITHIN 72 HOURS IF ANY BUYER'S OR CUSTOMER'S INFORMATION PROVIDED AS PART OF, OR GENERATED IN SUPPORT OF, CONTRACT PERFORMANCE IS "COMPROMISED."
- "COMPROMISED" IS DEFINED AS UNAUTHORIZED ACCESS, INADVERTENT DISCLOSURE, KNOWN MISUSE, LOSS, DESTRUCTION OR ALTERATION OF INFORMATION PROVIDED BY THE BUYER, OTHER THAN AS WHAT WAS OUTLINED IN THE AGREED TO SCOPE OF WORK.
- SELLER MUST TAKE APPROPRIATE AND IMMEDIATE ACTIONS TO INVESTIGATE AND CONTAIN THE INCIDENT AND ANY ASSOCIATED RISKS.
- SELLER SHOULD ALSO PROVIDE REASONABLE COOPERATION TO BUYER IN CONDUCTING ANY INVESTIGATION REGARDING THE NATURE AND SCOPE OF THE INCIDENT.
- COSTS INCURRED IN INVESTIGATING OR REMEDYING INCIDENTS ARE THE RESPONSIBILITY OF THE SELLER.

28) MISCELLANEOUS

A) FAILURE OF BUYER TO ENFORCE ITS RIGHTS UNDER THIS ORDER SHALL NOT CONSTITUTE A WAIVER OF SUCH RIGHTS OR OF ANY OTHER RIGHTS UNDER THIS ORDER OR OTHERWISE. BUYER'S RIGHTS AND REMEDIES SPECIFIED HEREIN SHALL BE CUMULATIVE AND IN ADDITION TO ANY OTHER RIGHTS AND REMEDIES AVAILABLE IN LAW OR EQUITY.

B) THE INVALIDITY, IN WHOLE OR IN PART, OF ANY PROVISION HEREOF SHALL NOT INVALIDATE OR OTHERWISE AFFECT THE VALIDITY OF ANY OTHER PROVISION.

C) SELLER REPRESENTS AND WARRANTS THAT THIS ORDER SHALL BE PERFORMED BY IT AS AN INDEPENDENT CONTRACTOR AND THAT NO EMPLOYER-EMPLOYEE RELATIONSHIP SHALL EXIST IN CONNECTION THEREWITH.

D) SELLER SHALL INCLUDE THESE PURCHASE ORDER TERMS AND CONDITIONS, TO THE EXTENT RELEVANT, IN ITS SUBCONTRACTS.

E) UNLESS OTHERWISE AGREED TO IN THE ORDER, ALL DOCUMENTATION, LABELS, DRAWINGS, LETTERS, AND COMMUNICATIONS OF ANY KIND WILL BE PRESENTED IN THE ENGLISH LANGUAGE.

F) BUYER SHALL BE ENTITLED TO THE RIGHT TO SET-OFF AGAINST ANY AMOUNTS PAYABLE UNDER THIS ORDER.

G) SELLER'S DECLARATION – IN CASE OF NON-US SELLER, ACCEPTANCE OF THIS ORDER SHALL DEEM THERE IS NO END-USE LIMITATIONS WITH RESPECT TO THE SUPPLIES.

29) OFFSET

BUYER SHALL BE ENTITLED TO ALL OFFSET CREDITS RESULTING OUT OF THIS P.O. SELLER SHALL SUPPORT BUYER BY PROVIDING DOCUMENTATION AND INFORMATION AS REQUESTED BY BUYER OR THE RELEVANT AUTHORITIES, TO SUPPORT AND APPROVE CLAIMS FOR OFFSET CREDITS FOR THE BUYER.

30) U.S GOVERNMENT CLAUSES

IF THIS ORDER IS SUBCONTRACT UNDER A U.S GOVERNMNT CONTRACT, AS INDICATED BY P.O LINES WITH: U.S Prime Cont.: – , DPAS Rating: - , THEN Annex USG FORMS AN INTEGRAL PART OF THE ORDER.

IN ADDITION, BUYER WILL BE ENTITLED TO PROVIDE COPIES OF THE CONTRACT OR ASSOCIATED DATA TO THE US GOVERNMENT OR A HIGHER TIER U.S CONTRACTOR WHEN BUYER IS REQUIRED TO SUBMIT SUPPORTING DATA FOR PROPOSALS OR CONTRACT.

31) NOTICES

NOTICES REQUIRED OR DESIRABLE TO BE SENT TO EITHER PARTY HEREUNDER, SHALL BE SENT BY FIRST CLASS PRE-PAID AIR MAIL OR BY FACSIMILE AND BY E-MAIL, TO THE ADDRESS OR FACSIMILE NUMBER OF THE RELEVANT PARTY AS INDICATED ON THE ORDER, AND TO THE ATTENTION OF THE CONTACT PERSON INDICATED ON THE ORDER, TO THE EXTENT INDICATED.

General Provisions and FAR/DFARS Flowdown Provisions for Subcontracts/Purchase Orders for Commercial and Non Commercial Items Ordered Under a U.S Government Prime Contract

Introduction to Suppliers

The Purchase Order (PO) or subcontract, ("this Contract", or "Contract"), is entered between Elbit Systems Ltd ("ESL" or "Purchaser") and Seller/Supplier in support of a U.S Government (USG) Prime Contract.

This Annex is applicable to any Contract / PO that includes items or services where the ultimate end user is the U.S Government.

This Annex includes USG provisions and flowdown requirements applicable to this subcontract or Purchase Order.

a. Commercial vs. Non-Commercial

This Annex includes two main sections:
Section 1 - *Non Commercial*, and
Section 2 - *Commercial Items*.

If the deliverables under this Contract have been represented by Seller to be a Commercial Item as defined by FAR 2.101, the clauses listed in Section 2 of this Annex are incorporated herein and form a part of this Contract.

If the deliverables under this Contract are not Commercial Items, the clauses listed in Section 1 of this Annex are incorporated herein and form a part of this Contract.

"Commercial Item" means a 'commercial item' as defined in FAR 2.101. All other contracts are considered 'Non-Commercial'. Typically, commercial items are those customarily used by the general public or by nongovernmental entities for purposes other than government purposes and are sold or offered for sale to the general public. As an example, processors, memory chips, electronic components, and software operating systems are usually considered as commercial items.

b. FAR/DFARS flowdowns acceptance

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, and are applicable with the same force and effect as if they were given in full text. ,

If any of the following clauses do not apply to this Contract, as defined in the respective FAR or DFARS provision, such clauses are considered to be non-applicable.

By accepting this Contract from ESL, Seller certifies compliance with the relevant USG terms and provisions, including compliance with the FAR/DFARS and mandatory Certifications and Representations.

Accordingly, Seller shall indemnify ESL against and hold ESL harmless from all expenses, losses, claims, arising out of performance of this Contract by Seller 's and Seller's failure to comply with the applicable U.S Government FAR/DFARS clauses and other rules, regulations, and standards.

c. Priority Rating (DPAS)

If DPAS rating is identified on this Contract than this Contract is a "rated order" certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System (DPAS) Regulation.

Under DPAS regulations, if this Contract supports the U.S. Government, is DX or DO Rated, and exceeds $50,000.00, the Seller must acknowledge acceptance of DX-Rated orders within ten (10) days, and DO-Rated orders within fifteen (15) days of receipt hereof.

Commencement of performance of the Work called for by this Contract in the absence of Seller's written acknowledgement thereof shall be deemed acceptance of this Contract as written.

d. Conflict Minerals

ESL's policy is to use "conflict-free" minerals in its products. As part of our conflict minerals compliance policy, ESL requires that suppliers of raw materials or products shall provide any information requested by ESL (in sufficient detail), with written certifications thereof, to enable ESL to timely comply with all of ESL's and ESL's customer's due diligence, disclosure and audit requirements under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") and Rule 13p-1 and Form SD under the Securities Exchange Act of 1934, and all similar, applicable statutes and regulations, including due inquiry of Seller's supply chain (and certifications by such suppliers) identifying conflict minerals (as defined in Section 1502(e)(4) of the Dodd-Frank Act) contained in each product and the country of origin of such conflict minerals (or, following due inquiry, why such country of origin cannot be determined). Noncompliance with any element of this section is a default for purposes of the Termination for Default article of this Contract.

e. U.S Government Subcontract

The following notes applies to the clauses referenced below:

1. "Commercial Item" means a 'commercial item' as defined in FAR 2.101. All other contracts are considered 'Non-Commercial'.
2. "Contractor "and "Offeror" means Seller.
3. "Prime Contract" means the contract between ESL and the USG or between ESL and its higher-tier contractor in support of a prime contract with the USG.
4. "Subcontract" means Seller's subcontractor at any tier under this Contract.
5. In each FAR/DFARS clause as may be applicable, substitute "ESL" after "Government" or "United States" or "Contracting Agency", and "ESL Procurement Representative" for "Contracting Officer" or "ACO".
6. In each FAR/DFARS clause as may be applicable, Insert "and ESL" after "Government" or "Contracting Officer", as appropriate, throughout this clause.

The Contract Disputes Act shall not be applicable to the Contract. Any reference to a "Disputes" clause shall mean the Disputes clause of the Contract.

NOTE: the below clauses relate to FFP (Firm Fixed Price) type contracts.

Section 1 - Non Commercial Items

1.1. FAR/DFARS clauses flowdown

52.204-2 SECURITY REQUIREMENTS - Applies if the Work requires access to classified information

52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL - Applies where SELLER will have physical access to a Federally-controlled facility or access to a Federal information system.

52.211-5 MATERIAL REQUIREMENTS

52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENT

52.214-26 AUDIT AND RECORDS- SEALED BIDDING – applies for awards made under sealed bidding

52.214-27 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA – MODIFICATIONS – SEALED BIDDING

52.214-28 SUBCONTRACTOR COST OR PRICING DATA – MODIFICATIONS – SEALED BIDDING

52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA
Rights and obligations under this clause shall survive completion of the Work and final payment.

52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - MODIFICATIONS
Rights and obligations under this clause shall survive completion of the Work and final payment.

52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS

52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST-RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS

52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS

52.222-1 NOTICE OF GOVERNMENT LABOR DISPUTES

52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT

52.222-21 PROHIBITION OF SEGREGATED FACILITIES – *Not Applicable for Non-U.S Contractors (*)*
(*) This clause apply to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

52.222-26 EQUAL OPPORTUNITY - *Not Applicable for Non-U.S Contractors (*)*
(*) This requirement is part of (22.810) the Equal Employment Opportunity law (Executive Order 11246) pertaining to nondiscrimination in employment by contractors. Applicability (22.807 (b)(2)) - the Equal Employment Opportunity requirements DON'T apply for work outside the United States, by employees not recruited in the United States.

52.222-41 SERVICE CONTRACT ACT OF 1965 *Not Applicable for Non-U.S Contractors (*)*
(*) applies if this Contract is for services subject to the Service Contract Act. Applicability: only to subcontracts subject to the SCA, and accordingly doesn't apply to contracts performed outside the US

52.222-50 COMBATING TRAFFICKING IN PERSONS
This clause is applicable to all orders.
The requirements in 52.222-50 (h) "Compliance Plan" apply only to subcontracts for supplies and services other than commercially available off-the-shelf (COTS) items, acquired outside the United States with an estimated value that exceeds $500,000.
If any subcontractor is required by clause 52.222-50 (h) (5) to submit a certification, the subcontractor shall provide such submission prior to the award of the subcontract and annually thereafter.
The subcontractor shall include the substance of this clause, in all subcontracts and in all contracts with agents.

52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION: *Not Applicable for Non-U.S Contractors (*)*

52.223-6 Drug Free Work Place.

52.223-11 OZONE-DEPLETING SUBSTANCES – *Not Applicable for Non-U.S Contractors (*)*
(*) Applies if the Work was manufactured with or contains ozone-depleting substances when any work under the Purchase Order will be performed in the United States.

52.224-2 / 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA – applies if this contract involves hazardous materials

52.225-1 BUY AMERICAN ACT—SUPPLIES - Applies if the Work contains other than domestic components

52.225-5 TRADE AGREEMENTS- applies if the Work contains other than domestic components

52.225-8 DUTY FREE ENTRY - Applicable to Purchase Orders for supplies that may be imported into the US.

52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES

52.227-1 AUTHORIZATION AND CONSENT AND Alternate I - Applies only if the Prime Contract contains this clause. Include Alternate I if it is included in the prime contract. These clauses relate to authorization on usage of US patents. They are prohibited in Purchase Orders when both complete performance and delivery are outside the United States and may require pre approval by the contracting officer.

52.227-9 REFUND OF ROYALTIES

52.227-10 FILING OF PATENT APPLICATIONS-CLASSIFIED SUBJECT MATTER - Applies if the Work or any patent application may cover classified subject matter

52.227-11 PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR – applies (refer to 27.303 (b)(1)) unless an alternative Patent Rights Clause applies to this contract. An alternative clause can be applied for DOD contracts other than for small business (in such DoD contracts 27.303 (d) allows use of **252.227-7038**). Additionally, FAR 52.227-13 applies in lieu of 52.227-11 if SELLER is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government.

52.227-13 PATENT RIGHTS-OWNERSHIP BY THE GOVERNMENT – applies if this Contract is for experimental, developmental or research work and Seller is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government.

52.227-14 RIGHTS IN DATA – GENERAL - Does not apply if DFARS 252.227-7013 applies).

52.228-3 WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)

52.228-5 INSURANCE – WORK ON A GOVERNMENT INSTALLATION Applies if this Contract involves Work on a Government installation

52.229-6 TAXES – FOREIGN FIXED PRICE CONTRACTS

52.230-2 COST ACCOUNTING STANDARDS - full CAS Coverage applies unless an exception has been granted.

52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES applies only when referenced in this or in a higher tier contract that modified CAS coverage applies.

52.230-4 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES FOR CONTRACTS AWARDED TO FOREIGN CONCERNS - applies only when referenced in this Contract or a higher tier contract that modified CAS coverage applies..

52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS - applies if FAR 52.230-2, FAR 52.230-3, FAR 52.230-4 or FAR 52.230-5 applies.

52.233-3 PROTEST AFTER AWARD and Stop Work procedure pursuant to FAR 33.1 In the event Buyer's customer has directed Buyer to stop performance of the work under which this Contract is issued pursuant to FAR 33.1, Buyer may direct Seller to stop performance of the work called for by this Contract. In paragraph (f) add after "33.104(h) (1)" the following: "and recovers those costs from ESL

52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION

52.242-15 STOP-WORK ORDER

52.243-1 CHANGES - FIXED PRICE

52.246-2 INSPECTION OF SUPPLIES - FIXED PRICE

52.246-4 INSPECTION OF SERVICES - FIXED PRICE

52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS – applies to Orders that involve international air transport

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS This clause applies to subcontracts for "Commercial Items" when the Prime Contract is not for a Commercial Item. This clause prescribes 9 mandatory FAR flow-downs applicable to all subcontracts for commercial items at all tiers.

52.245-1 GOVERNMENT PROPERTY applicable if the Seller uses any Government Property

52.245-17 Special Tooling

52.245-18 Special Test Equipment

52.246-16 RESPONSIBILITY FOR SUPPLIES

52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S.-FLAG COMMERCIAL VESSELS

52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) –Insert “or ESL” after “Government” in this clause in paragraphs (b)(4) and (b)(6), it applies to all of paragraph (b)(8) and it applies to the second time "Government" appears in paragraph (d). In paragraph (n) “Government" means "ESL and the Government" . In paragraph (c) "120 days" is changed to "60 days." In paragraph (d) "15 days" is changed to "30 days," and "45 days" is changed to "60 days." In paragraph (e) "1 year" is changed to "6 months." Paragraph (j) is deleted. In paragraph (l) "90 days" is changed to "45 days." Settlements and payments under this clause may be subject to the approval of the USG Contracting Officer.)

52.249-8 DEFAULT (FIXED PRICE SUPPLY AND SERVICE) - Substitute “ESL” for "Government" or "United States" or “Contracting Officer” throughout this clause, except for paragraph (c). Insert “or ESA” after the second and third time "Government" appears in paragraph (e). Timely performance is a material element of this Contract.

252.204-7000 Disclosure of Information - applies to Purchase Orders when Seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.

252.204-7008 REQUIRMENTS FOR CONTRACTS INVOLVING EXPORT-CONTROLLED ITEMS –Note: Israel is a Qualified Country

252.211-7003 ITEM IDENTIFICATION AND VALUATION - Applies if this Contract requires the Work to contain unique item identification (UID).

252.215-7000 PRICING ADJUSTMENTS - Applies if FAR 52.215-12 or 52.215-13 applies to this Contract

252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS

252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN *Not Applicable for Non-U.S Contractors (*)*
The Seller's subcontracting plan is incorporated herein by reference. (*) Applies if FAR 52.219-9 applies to this Contract. The Small Business Subcontracting Program (FAR 19.9, 52.219-9) requires Subcontracting Plans; however they are NOT required for contracts that will be performed entirely outside of the United States (FAR 19.701 (c) (3)

DFARS 252.222-7006 RESTRICTION ON THE USE OF MANDATORY ARBITRATION AGREEMENTS- The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors.)

252.223-7001 HAZARD WARNING LABELS - applies for goods that require submission of hazardous material data sheets (see FAR 23.302(c).

252.223-7002 SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVE – applies only if the articles furnished under this Contract contain ammunition or explosives, including liquid and solid propellants.

252.223-7003 CHANGE IN PLACE OF PERFORMANCE AMMUNITION AND EXPLOSIVES

DFARS 252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES - Applies if this Contract is for the development, production, manufacture, or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to SELLER as Government Furnished Property.

252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM

252.223-7006 PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS
Applies to orders that may require, a Seller to treat or dispose of non-DoD-owned toxic or hazardous materials

252.225-7001 BUY AMERICA ACT AND BALANCE OF PAYMENTS PROGRAM CERTIFICATE – *Not Applicable for Non-U.S Contractors –*
(*) Applies for US companies and if the Work contains other than domestic components. Applies in lieu of FAR 52.225-1.

252.225-7002 Qualifying Country Sources as Subcontractors

252.225-7007 PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES -. Applies if Seller is supplying items on the U.S. Munitions list.

252.225-7008 RESTRICTION ON ACQUISITION OF SPECIALTY METALS – note that Israel is a Qualified Country. Applicable to Purchase Orders for the delivery of specialty metals as end items or to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract.

252.225-7009 RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS, Applicable to orders for items containing specialty metals to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government.

252.225-7012 PREFENCE FOR CERTAIN DOMESTIC COMMODITIES

252.225-7013 DUTY FREE ENTRY – *Not Applicable for Non-U.S Contractors*
The prime contract number and identity of the Contracting Officer are contained elsewhere in this contract. If this information is not available, contact ESA's Procurement Representative

252.225-7014 Preference for Domestic Specialty Metals and Alternate I are applicable to orders for items containing specialty metals that the Buyer will deliver to the Government under prime contracts awarded before July 29, 2009 and that do not specifically incorporate a different specialty metals clause

252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS Applies if Work supplied under this Contract contains ball or roller bearings

252.225-7025 Restriction on the Acquisition of Forgings

252.225-7027 Restriction on Contingent Fees for Foreign Military Sales

252.225-7028 Exclusionary Policies and Practices of Foreign Governments - Applicable only to orders under international military education training and FMS prime contracts.

252.225-7021 TRADE AGREEMENTS Applies if the Work contains other than U.S.-made, qualifying country, or designated country end products. Applies in lieu of FAR 52.225-5. Note: Israel is a qualifying country.

252.225-7032 and 7033 WAIVER OF UNITED KINGDOM LEVIES EVALUATION OF OFFERS Applies if this Contract is with a United Kingdom firm

252.225-7037 Duty Free Entry – Eligible End Products

252.225-7043 ANTI-TERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE US

252.227-7013 RIGHTS IN TECHNICAL DATA - NON-COMMERCIAL ITEMS - applies to solicitations and resulting contracts when Seller's technical data will be provided to Buyer for delivery to the USG. Apples in lieu of FAR 52.227-13.

252.227-7014 RIGHTS IN NON-COMMERCIAL COMPUTER SOFTWARE AND NON-COMMERCIAL COMPUTER SOFTWARE DOCUMENTATION - Applies to solicitations and resulting contracts when Seller may deliver computer software or computer software documentation to Buyer for delivery to USG. Apples in lieu of FAR 52.227-14.

252.227-7015 Technical Data - Commercial items

252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION – Applicable to solicitations and resulting contracts that will include DFARS clause 252.227-7013, 252.227-7014, or 252.227-7018

252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions - Applicable to solicitations and resulting contracts that will include DFARS 252.227-7013, 252.227-7014, or 252.227-7018

252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE-SMALL BUSINESS INNOVATION REASEARCH (SBIR)

252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS - COMPUTER SOFTWARE

252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS

252.227-7026 DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE

252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE

252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED The definitions for "contract" and "subcontract" shall not apply herein, except for the first reference to contract.

252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT - Applicable to solicitations and resulting contracts that include DFARS clause 252.227-7013 or 252.227-7018

252.227-7032 Rights in Technical Data and Computer Software (Foreign).

252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA

252.227-7038 PATENT RIGHTS - OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS)

252.228-7001 Ground and Flight Risk – applicable only to contracts involving acquisition, development, production, modification, maintenance, repair, flight, or overhaul of aircraft

252.228-7005 ACCIDENT REPORTING AND INVESTIGATION INVOLVING AIRCRAFT, MISSILES, AND SPACE LAUNCH VEHICLES

DFARS 252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES Applies if this Contract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. Seller shall provide notifications to ESL and the contracting officer identified to Seller.)

252.227-7015 Technical Data – Commercial Items - Applicable when technical data related to commercial items developed at private expense will be provided under this contract to Buyer for delivery to the Government.

252.231-7000 SUPPLEMENTAL COST PRINCIPLES Applicable for contracts that are subject to the principles in FAR subparts 31.1, 31.2, 31.6, or 31.7

252.235-7003 FREQUENCY AUTHORIZATION Applies if this Contract requires developing, producing, constructing, testing, or operating a device requiring a frequency authorization

252.243-7001 PRICING OF CONTRACT MODIFICATIONS

252.244-7000 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DoD)

252.246-7001 WARRANTY OF DATA, ALTERNATE II - applies when the prime contract include DFARS 252.227-7013

252.246–7007 Contractor Counterfeit Electronic Part Detection and Avoidance System. This clause applies for orders for electronic parts or assemblies containing electronic parts. The Subcontractor shall include the substance of this clause in subcontracts, including subcontracts for commercial items, for electronic parts or assemblies containing electronic parts.

I (a). Additional clauses applicable to Contracts whose value exceeds $ 10,000

52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES - Not Applicable for Non-U.S Contractors (*)
(*)This clause apply(52.222-36 (d)) to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

I (b). Additional clauses applicable to Contracts whose value exceeds $ 25,000

52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS -
If Seller meets the thresholds specified in paragraphs (c)(2) and (d) of the clause, he shall report required executive compensation by posting in Government's Central Contractor Registration (CCR) database at http://www .ccr.gov . All information posted will be available to the general public

52.209-6 Protecting the Government's Interests When Subcontracting With Contractors Debarred, Suspended or Proposed for Debarment – applicable for each proposed subcontract exceeding $ 30,000 other than for COTS items. Seller agrees it is not debarred, suspended, or proposed for debarment by the Federal Government. Seller shall disclose to Buyer, in writing, whether as of the time of award of this contract, Seller or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

I (c). Additional clauses applicable to Contracts whose value exceeds $ 100,000

52.222-35 EQUAL OPPORTUNITY FOR VETERANS - Not Applicable for Non-U.S Contractors.

52.222-37 EMPLOYMENT REPORTS ON VETERANS - Not Applicable for Non-U.S Contractors.

I (d). Additional clauses applicable to Contracts whose value exceeds $ 150,000 (the Simplified Acquisition Threshold)

52.203-3 GRATUITIES

52.203-5 COVENANT AGAINST CONTINGENT FEES

52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT

52.203-7 ANTI-KICKBACK PROCEDURES

52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY

52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS

52.215-2 AUDIT AND RECORDS-NEGOTIATION - applies if Seller is required to furnish cost or pricing data, funding, or performance reports, or this is an incentive or redeterminable type.

52.215-14 INTEGRITY OF UNIT PRICES

52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS - Not Applicable for Non-U.S Contractors (*)
(*) As prescribed in 19.704 (a)(9) each subcontractor will include the clause at 52.219-8, Utilization of Small Business Concerns in all lower tier subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of $550,000 to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan. The Small Business Subcontracting Program (FAR 19.9, 52.219-9) requires Subcontracting Plans; however they are NOT required for contracts that will be performed entirely outside of the United States (FAR 19.701 (c) (3)

52.244-5 COMPETITION IN SUBCONTRACTING

FAR 52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING - Not Applicable for Non-U.S Contractors
Applies if this Contract exceeds $3,000 and only if Work under the Contract will be performed in the US.

52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT -OVERTIME COMPENSATION - Not Applicable for Non-U.S Contractors
Applicable to Purchase Orders that (i) require or involve the employment of laborers and mechanics at any tier and (ii) when any work under the Purchase Order will be performed in the United States.

52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT - Not Applicable for Non-U.S Contractors
This clause apply to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT

52.227-3 Patent Indemnity

52.242-13 BANKRUPTCY

52.248-1 VALUE ENGINEERING

252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES

252.209-7001 DISCLOSURE OF OWNERSHIP OR CONTROL BY GOVERNMENT OF TERRORIST COUNTRY

252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA Applies in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. Paragraph (f) and (g) shall not apply if this Contract is at or below $150,000.

DFARS 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA - Applicable if this

I (e). Additional clauses applicable to Contracts whose value exceeds $ 550,000-700,000

252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS, INDIANOWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS- DOD CONTRACTS - Applies if the Contract exceeds $ 550,000.

52.219-9 or 252.219-7003 (DoD Contracts) SMALL BUSINESS SUBCONTRACTING PLAN Not Applicable for Non-U.S Contractors
The Seller's subcontracting plan is incorporated herein by reference. The Small Business Subcontracting Program (FAR 19.9, 52.219-9) requires Subcontracting Plans; however they are NOT required for contracts that will be performed entirely outside of the United States (FAR 19.701 (c) (3)).

DFARS 252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REEDUCTION - Applies if this Contract exceeds $650,000. Substitute ESL for Contracting Officer and ACO. Delete paragraph (d) (1) and the first five words of paragraph (d) (2).

52.215-12 SUBCONTRACTOR COST OR PRICING DATA - applies if this Contract exceeds $700,000 and is not otherwise exempt under FAR 15.403

52.215-13 SUBCONTRACTOR COST OR PRICING DATA - MODIFICATIONS

52.215-23 LIMITATION ON PASS-THROUGH CHARGES

252.225-7006 QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE US
Paragraph (f) is deleted

I (f). Additional clauses applicable to Contracts whose value exceeds $ 1,500,000 or $ 5,000,000

252.211-7000 ACQUISITION STREAMLINING – applicable for Contracts above $ 1,500,000

52.203-13 and DFARS 252.203-7003 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT
applicable above $ 5,000,000 Disclosures made under this clause shall be made directly to the Government

52.203-14 or DFARS 252.203-7004 DISPLAY OF HOTLINE POSTERS - Not Applicable for Non-U.S Contractors
Applies to subcontracts exceeding $ 5,000,000 unless they are for commercial items or performed entirely outside the United States (52.203-14 (b)(1)).

1.2 Certifications and Representations (non Commercial)

The clauses listed below contain certifications and representations that are material representations of fact upon which Elbit will rely in making awards to Seller in support of a US Government contract.

By submitting its offer, or accepting any Contract from ESL, Seller certifies its compliance and/or duly submittal of the representations and certifications as set forth below in this clause. Seller shall immediately notify ESL of any change of status with regard to these certifications and representations.

The following clauses of the Federal Acquisition Regulation (FAR) are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable to this Contract and any associated purchase orders.

(a) Certifications applicable **for every Contract**

1. FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions - (Applicable to solicitations and contracts exceeding $150,000)

(a) Definitions. As used in this provision--
"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8).
The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).
(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.
(c) Certification. Seller hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract. 11
(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, Seller shall complete and submit, with its offer, to ESA OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. Seller need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.
(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

2. FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

(a)(1) Seller certifies, to the best of its knowledge and belief, that--
(i) Seller and/or any of its Principals--
(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;
(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision; and

(ii) Seller has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
(D) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.
(1) Federal taxes are considered delinquent if both of the following criteria apply:
(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
(2) Examples. (i) The taxpayer has received a statutory notice of deficiency, under I.R.C. Sec. 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.
(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. Sec. 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to 12 further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.
(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. Sec. 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.
(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).
(2) Principal, for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division, or business segment; and similar positions).
(b) Seller shall provide immediate written notice to Elbit Systems of America if, at any time prior to contract award, Seller learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
(c) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that Seller knowingly rendered an erroneous certification, in addition to other remedies available, Elbit Systems of America may terminate this contract for default.

(b) Certifications applicable **for US suppliers -** *Not Applicable for Non-U.S Contractors (*)*

3. FAR 52.222-22 Previous Contracts and Compliance Reports
(a) Seller represents that if Seller has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26): (a) Seller has filed all required compliance reports and (b) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.
(b) Paragraph (a) applies only to the extent (1) Seller performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.

4. FAR 52.222-25 Affirmative Action Compliance
(a) Seller represents: (a) that Seller has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) that in the event such a program does not presently exist, Seller will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.
(b) Paragraph (a) applies only to the extent (1) Seller performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.

(c) Other Certifications applicable **– applicability as specifically defined below**

52.230-1 Cost Accounting Standards (CAS) Notices and Certification: to the extent that Seller is not exempt from CAS requirements, the "Cost Accounting Standards Notices and Certification" in the form provided in 52.230-1 shall be completed by Seller, as applicable for each Seller.
Applicability: Any contract in excess of $700,000 will be subject to Cost Accounting Standards Board (48 CFR Chapter 99) requirements, unless an exemption is applicable per 48 CFR Subpart 9903.201-1.
Specifically, Non US Suppliers are subject to modified CAS coverage: i.e. CAS 401 and 402 only as defined in FAR 52.230-4.

15.403-4 Certificate of Current Cost or Pricing Data: Seller's certification that the cost or pricing data (as defined in FAR 2.101 and required under FAR 15.403-4) as submitted is accurate, complete and current.
Applicability: for any proposal or contract exceeding the threshold of $700,000, unless an exception under 15.403-1(b) applies (most commonly competition or Commercial item).

Certification Regarding Political Contributions, Fees, and Commissions Paid In Connection with Sales Subject to the Provisions of the Arms Export Control Act. In compliance with 22 C.F.R. 130, neither Seller nor its subcontractors at any tier have paid, offered or agreed to pay, or will pay or offer or agree to pay, in respect to the Work which is to be provided to Buyer under any Contract awarded, political contributions, fees, or commissions in amounts as specified in 22 C.F.R. 130.9.

Certification of Toxic Chemical Release Reporting (FAR 52.223-13) - *Not Applicable for Non-U.S Contractors* - applicable to contracts which exceed $100,000. (Note that the Seller is exempt from the form filling requirement under this Certification when the facility is not located in the United States)

1.3 Truth in Negotiations (TINA) – Certified Cost and Pricing Data

Additional Requirements for sole-source non-commercial subcontracts exceeding $ 700,000

1. Proposal Phase

Unless exempt under FAR Part 15.403 (typically for contracts awarded under competition or for commercial items), Seller shall submit a FAR Part 15 compliant cost proposal (complying with the instructions in FAR 15.408 Table 15-2) which shall be updated throughout the negotiation process.

At the conclusion of negotiations, and regardless of any prior certification, Seller must certify as to the accuracy, currency and completeness of its information in accordance with the FAR 15.406-2 required Certificate of Current Cost or Pricing Data.

2. Indemnification

If any price (including profit or fee) negotiated in connection with the prime contract between the Government and the Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by the Buyer relating to said contract or in connection with this Purchase Order was not accurate, complete, or current, the Seller shall indemnify the Buyer in the amount of said reduction, plus simple interest and penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

3. Contract Changes

When pricing any contract changes, Seller shall submit the cost and pricing for any change or other modification to this contract which involves increases and/or decreases in costs and profit expected to exceed the threshold for submission of cost or pricing data, and shall certify that the data accordingly.

Section II - Commercial Item Contracts

2.1 FAR/DFARS flowdown clauses

52.212-4 CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS – the clause provides general terms and conditions applicable for acquisition of Commercial Items. This clause applies to all subcontracts when the Prime Contract is for "commercial Item".

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS – COMMERICAL ITEMS – the clause provides applicable FAR provisions to acquisitions of commercial Items. In sub-contracts for commercial items only the 8 mandatory flow-down clauses listed in 52.212-5 (e)(1) shall apply to all sub contractors at all tiers. These clauses are listed directly below this clause. Other FAR clauses from 52.212-5 (a), (b), (c) and (d) shall apply if included in the Prime Contract.

52.222-26 EQUAL OPPORTUNITY *Not Applicable for Non-U.S Contractors (*)*
(*) This requirement is part of (22.810) the Equal Employment Opportunity law (Executive Order 11246) pertaining to nondiscrimination in employment by contractors. Applicability (22.807 (b)(2)) - the Equal Employment Opportunity requirements DON'T apply for work outside the United States, by employees not recruited in the United States.

52.222-35 EQUAL OPPORTUNITY FOR VETERANS - *Not Applicable for Non-U.S Contractors (*)*
(*) Applicability (52.222-35 (6)): This clause apply to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES - *Not Applicable for Non-U.S Contractors*
Applicability (per 52.222-36 (d)): This clause apply to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT
Not Applicable for Non-U.S Contractors (*)
(*) This clause apply to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

FAR 52.222-41 SERVICE CONTRACT ACT OF 1965 - *Not Applicable for Non-U.S Contractors (*)*
Applies if this Contract is for services subject to the Service Contract Act. (*) Applicability: only to subcontracts subject to the SCA, and accordingly doesn't apply to contracts performed outside the US.

FAR 52.222-50 COMBATING TRAFFICKING IN PERSONS
This clause is applicable to all orders.
The requirements in 52.222-50 (h) "Compliance Plan" apply only to subcontracts for supplies and services other than commercially available off-the-shelf (COTS) items, acquired outside the United States with an estimated value that exceeds $500,000.
If any subcontractor is required by clause 52.222-50 (h) (5) to submit a certification, the subcontractor shall provide such submission prior to the award of the subcontract and annually thereafter.
The subcontractor shall include the substance of this clause, in all subcontracts and in all contracts with agents.

FAR 52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION - *Not Applicable for Non-U.S Contractors (*)*

Applies if this Contract exceeds $3,000, except for commercial services that are part of the purchase of a COTS item. (*) This clause apply to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

FAR 52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS

52.209-6 Protecting the Government's Interests When Subcontracting With Contractors Debarred, Suspended or Proposed for Debarment – applicable for each proposed subcontract exceeding $ 30,000 other than for COTS items. Seller agrees it is not debarred, suspended, or proposed for debarment by the Federal Government. Seller shall disclose to Buyer, in writing, whether as of the time of award of this contract, Seller or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS - applies if the Contract exceeds $ 150,000.

52.203-13 and DFARS 252.203-7003 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT Applicable above $ 5,000,000, disclosures made under this clause shall be made directly to the Government.

52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL - Applies where SELLER will have physical access to a federally-controlled facility or access to a Federal information system.

52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS - If Seller meets the thresholds specified in paragraphs (c)(2) and (d) of the clause, he shall report required executive compensation by posting in Government's Central Contractor Registration (CCR) database at http://www.ccr.gov . All information posted will be available to the general public

52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS

52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS - *Not Applicable for Non-U.S Contractors (*)*

As prescribed in 19.704 (a)(9) each subcontractor will include the clause at 52.219-8, Utilization of Small Business Concerns in all lower tier subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of $550,000 to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan.

(*) The Small Business Subcontracting Program (FAR 19.9, 52.219-9) requires Subcontracting Plans; however they are NOT required for contracts that will be performed entirely outside of the US (FAR 19.701 (c) (3)

52.222-21 PROHIBITION OF SEGREGATED FACILITIES - *Not Applicable for Non-U.S Contractors (*)*
(*) This clause apply to this Contract, if Work under the Contract will be performed in the US or Seller recruits employees in the US to Work on the Contract

52.223-11 OZONE-DEPLETING SUBSTANCES – *Not Applicable for Non-U.S Contractors (*)*
Applies if the Work was manufactured with or contains ozone-depleting substances when any work under the Purchase Order will be performed in the United States.

52.225-1 BUY AMERICAN ACT—SUPPLIES Applies if the Work contains other than domestic components

52.225-5 TRADE AGREEMENTS - applies if the Work contains other than domestic components

52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES

52.227-19 COMMERCIAL COMPUTER SOFTWARE-RESTRICTED RIGHTS

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS This clause applies to subcontracts for "Commercial Items" when the Prime Contract is not for a Commercial Item. This clause prescribes 9 mandatory FAR flow-downs applicable to all subcontracts for commercial items at all tiers.

52.245-1 GOVERNMENT PROPERTY applicable if the Seller uses any Government Property

252.204-7008 REQUIRMENTS FOR CONTRACTS INVOLVING EXPORT-CONTROLLED ITEMS –Note: Israel is a Qualified Country

252.211-7003 ITEM IDENTIFICATION AND VALUATION Applies if this Contract requires the Work to contain unique item identification (UID).

252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM

252.225-7001 BUY AMERICA ACT AND BALANCE OF PAYMENTS PROGRAM CERTIFICATE – *Not Applicable for Non-U.S Contractors.*
Applies for US companies and if the Work contains other than domestic components. Applies in lieu of FAR 52.225-1.

252.225-7007 PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES - applies if Seller is supplying items on the U.S. Munitions list.

252.225-7009 RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS, Applicable to orders for items containing specialty metals to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government.

252.225-7021 TRADE AGREEMENTS - applies if the Work contains other than U.S.-made, qualifying country, or designated country end products. Note: Israel is a Qualified Country. Applies in lieu of FAR 52.225-5

252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS, INDIANOWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS- DOD CONTRACTS. Applies if the Contract exceeds $ 500,000.

252.227-7013 RIGHTS IN TECHNICAL DATA - NON-COMMERCIAL ITEMS - applies to solicitations and resulting contracts when Seller's technical data will be provided to Buyer for delivery to the USG. Apples in lieu of FAR 52.227-13.

252.227-7014 RIGHTS IN NON-COMMERCIAL COMPUTER SOFTWARE AND NON-COMMERCIAL COMPUTER SOFTWARE DOCUMENTATION - Applies to solicitations and resulting contracts when Seller may deliver computer software or computer software documentation to Buyer for delivery to USG. Apples in lieu of FAR 52.227-14.

252.227-7015 Technical Data – Commercial Items - Applicable when technical data related to commercial items developed at private expense will be provided under this contract to Buyer for delivery to the Government.

252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS - COMPUTER SOFTWARE

252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA

252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES - Applies if this Contract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. Seller shall provide notifications to ESL and the contracting officer identified to Seller.

252.246–7007 Contractor Counterfeit Electronic Part Detection and Avoidance System. This clause applies for orders for electronic parts or assemblies containing electronic parts. The Subcontractor shall include the substance of this clause in subcontracts, including subcontracts for commercial items, for electronic parts or assemblies containing electronic parts.

252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA - Applies in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. Paragraph (f) and (g) shall not apply if this Contract is at or below $150,000.

252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION - Applies if this Contract exceeds $650,000. Substitute ESL for Contracting Officer and ACO. Delete paragraph (d) (1) and the first five words of paragraph (d) (2).

2.2 Certifications and Representations (Commercial Items)

The clauses listed below contain certifications and representations that are material representations of fact upon which Elbit will rely in making awards to Seller in support of a US Government contract.

By submitting its offer, or accepting any Contract from ESL, Seller certifies its compliance and/or duly submittal ofthe representations and certifications as set forth below in this clause. Seller shall immediately notify ESL of any change of status with regard to these certifications and representations.

The following clauses of the Federal Acquisition Regulation (FAR) are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable to this Contract and any associated purchase orders.

(a) Certifications applicable **for every Contract**

1. FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions - (Applicable to solicitations and contracts exceeding $150,000)

(a) Definitions. As used in this provision--
"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8).
The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).
(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.
(c) Certification. SELLER hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract. 11
(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, SELLER shall complete and submit, with its offer, to ESA OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. Seller need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.
(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

2. FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

(a)(1) Seller certifies, to the best of its knowledge and belief, that--
(i) Seller and/or any of its Principals--
(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision; and
(ii) Seller has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
(D) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.
(1) Federal taxes are considered delinquent if both of the following criteria apply:
(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
(2) Examples. (i) The taxpayer has received a statutory notice of deficiency, under I.R.C. Sec. 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.
(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. Sec. 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to 12 further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.
(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. Sec. 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.
(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).
(2) Principal, for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division, or business segment; and similar positions).
(b) Seller shall provide immediate written notice to Elbit Systems of America if, at any time prior to contract award, Seller learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
(c) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that Seller knowingly rendered an erroneous certification, in addition to other remedies available, Elbit Systems of America may terminate this contract for default.

(b) Certifications applicable **for US suppliers -** *Not Applicable for Non-U.S Contractors (*)*

3. FAR 52.222-22 Previous Contracts and Compliance Reports
(a) Seller represents that if Seller has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26): (a) Seller has filed all required compliance reports and (b) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.
(b) Paragraph (a) applies only to the extent (1) Seller performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.

4. FAR 52.222-25 Affirmative Action Compliance
(a) Seller represents: (a) that Seller has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) that in the event such a program does not presently exist, Seller will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.

(b) Paragraph (a) applies only to the extent (1) Seller performs work in the United States, or (2) recruits employees in the United States to Work on this Contract.